

# SENATE BILL REPORT

## SB 5474

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As of February 20, 2013

**Title:** An act relating to state employee wellness and productivity.

**Brief Description:** Promoting state employee wellness and productivity.

**Sponsors:** Senators Mullet, Frockt, Keiser, Billig, Fain, McAuliffe and Kline.

**Brief History:**

**Committee Activity:** Health Care: 2/19/13.

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### SENATE COMMITTEE ON HEALTH CARE

**Staff:** Mich'l Needham (786-7442)

**Background:** Legislation passed in 2007 directed the Health Care Authority (HCA) to develop an employee wellness demonstration for the Public Employees' Benefits Board (PEBB) program. The demonstration program included the participation of selected agencies to pilot some on-site wellness activities that provided access to flu vaccination clinics, mobile mammography services, healthy eating-healthy weight support discussions, chronic disease management courses, etc. During the first two years, seven agencies were selected to participate in the demonstration. In later years, additional agencies were added for some demonstration activities and participation in the wellness designation program tool development. Over the course of the demonstration, 21 agencies participated in some form, with over 20,000 employees.

King County has had success with a multi-pronged employee health and well being program, known as Healthy Incentives, that includes on-site work supports as well as integration of incentives in the benefit design and cost-sharing for plan designs. King County has documented savings in their health care purchasing, with some portion attributed to the Healthy Incentives program and increased health status for participating employees.

**Summary of Bill:** HCA is recognized as the agency responsible for employee health across all state agencies and higher education institutions, and identified as the ideal agency to build a broad strategy to support employee health and wellness and support participating agencies in assisting employee wellness and business productivity. HCA must expand the employee health and wellness program focused on reducing health risk and improving the health status of employees and their dependents.

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The state employee health and wellness program must provide technical assistance to state agencies and higher education institutions with an expansion of the worksite wellness program that includes consolidated contracting to offer worksite wellness activities, such as on-site flu vaccination clinics; mobile mammography; healthy weight control programs; chronic disease management courses; and other evidence-based programs that support employee health and wellness. The program must develop and refine common core data elements for health plans and agency worksites to assist with comparable measurement and assessment of outcomes.

HCA must coordinate with PEBB to design a benefit package that more strongly encourages the use of high-value services and member engagement in health assessment and wellness programs. A benefit design must incorporate a financial incentive for completing a health assessment and participating in health activities as an integral structural component in the benefit design rather than as a freestanding assessment tool. The agency must engage in collaborative discussions with enrollees in the PEBB program, the various employee unions representing employees, and state agencies. Recommendations from all participants on the benefit design and incentive structure must be shared with PEBB for consideration.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:** PRO: This bill is about controlling costs. King County Health Incentives program included a financial incentive to participate in the wellness program. They had good experience reducing health care costs and improving employee health. The Issaquah city council also followed the King County model in an attempt to save health care costs and thereby save other services. It is important to find best practices and apply them – the King County model is a best practice that would be a good model to move statewide. We believe this proposal includes all the right elements with measurement, and a focus on outcomes. Group Health would be very happy to work with the state to implement this.

**Persons Testifying:** PRO: Senator Mullet, prime sponsor; Scott Plack, Group Health Cooperative.